

EXHIBIT K

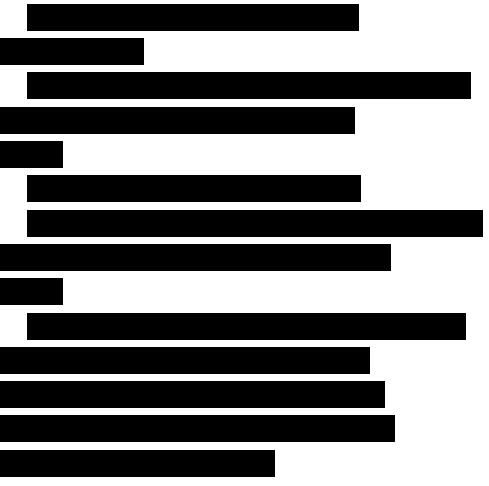
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ROBERT CHAVEZ
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

HERMÈS INTERNATIONAL and :
HERMÈS OF PARIS, INC., :
Plaintiffs, : Civil Action No.
: 22-CV-00384
v. :
: MASON ROTHSCHILD, :
Defendant. :
----- :
VIDEOTAPE DEPOSITION OF:

ROBERT CHAVEZ
NEW YORK, NEW YORK
WEDNESDAY, JANUARY 11, 2023

REPORTED BY:
SILVIA P. WAGE, CCR, CRR, RPR
JOB NO. 5645292

<p>1 ROBERT CHAVEZ</p> 	<p>Page 54</p> <p>1 ROBERT CHAVEZ</p> 
<p>1 ROBERT CHAVEZ</p> 	<p>Page 55</p> <p>1 ROBERT CHAVEZ</p> <p>2 Q. Can Hermès fulfill the customer demand for the Birkin bag?</p> <p>3 A. Today we cannot.</p> <p>4 Q. Why not?</p> <p>5 A. Because the demand far exceeds the -- our ability to supply.</p> <p>6 Q. And why is that?</p> <p>7 A. It's because of the popularity of the bag and the desire to own a Birkin bag.</p> <p>8 Q. And what about the production of the bag would make it difficult to meet the demand?</p> <p>9 A. Well, as I mentioned earlier, it takes anywhere from 18 to 24 hours to make one bag and it's a maximum of 1.2 or 1.5 handbags -- of Birkin bags per week that can be made by a craftsperson.</p> <p>10 Q. What is the current price for a Birkin handbag?</p> <p>11 A. It starts at about \$12,000 and it can go up to as high as \$200,000.</p> <p>12 Q. And why might one bag cost about \$12,000 and another one about \$200,000?</p> <p>13 A. It really depends on the materials that a customer wants. So you can start with a</p>

15 (Pages 54 - 57)

<p style="text-align: right;">Page 66</p> <p>1 ROBERT CHAVEZ 2 MR. OPPENHEIM: It was put together 3 for this litigation? 4 THE WITNESS: Yes. 5 MR. OPPENHEIM: And this is something 6 that Hermès ordinarily does, it collects -- I 7 think, you said at the beginning it collects 8 media stories? 9 THE WITNESS: We do. We save all of 10 our media coverage. 11 MR. OPPENHEIM: Whether or not you're 12 in litigation? 13 THE WITNESS: Yes. 14 MR. OPPENHEIM: Yeah, I have no 15 objection to the admission, Oren. Thank you. 16 BY MR. WARSHAVSKY: 17 Q. Now, we've seen these articles. 18 Can you turn to -- well, let me ask 19 this. 20 About how often does the Birkin bag 21 get coverage in media? 22 A. I would say it's constant. 23 Q. And that's notwithstanding the fact 24 that the Birkin bag is over 30 years old? 25 A. Yes.</p>	<p style="text-align: right;">Page 68</p> <p>1 ROBERT CHAVEZ 2 lot of print. 3 Are there other types of media that 4 the Birkin bag is featured in? 5 A. Yes. 6 Q. Can you tell me about that? 7 A. Television shows, movies and 8 certainly most recently social media. 9 Q. Thank you. Sorry to interrupt. 10 Can you give an example or two of 11 television shows? 12 A. Yes. Probably the most well-known is 13 the Sex in the City, but also we've appeared in 14 Gilmore Girls and several other TV shows 15 throughout the years. 16 Q. And can you tell us a little bit 17 about the Sex and the City episode that you're 18 referring to? 19 A. Yes. Sex and the City approached us 20 back in the early 2000s and they wanted to do a 21 segment on the Birkin bag. So we agreed to do it 22 with them. They asked if they could film in the 23 store and we said, yes. We allowed them to film 24 in the store. 25 Q. And can you briefly describe the</p>
<p style="text-align: right;">Page 67</p> <p>1 ROBERT CHAVEZ 2 Q. Can you turn to Exhibit 9 please. 3 (Deposition Exhibit 9, Harper's 4 Bazaar cover page and article titled, "The Mighty 5 Mighty Birkin," HERMES_0001768 to HERMES_0001772, 6 was marked for identification.) 7 A. (The witness complies.) 8 Q. Can you tell me what this document 9 is? 10 A. Yes. This is Harper's Bazaar. I 11 believe it's from the spring of '21. And it is a 12 story -- a feature story on the Birkin bag 13 titled, "The Mighty Mighty Birkin." 14 Q. Did Hermès participate in this 15 article? 16 A. Yes, we did. 17 Q. How so? 18 A. Harper's Bazaar wanted to do a story 19 on the Birkin and they also wanted to interview 20 the head of the leather department, who is 21 Catherine Fulconis. 22 Q. And, if you know, what kind of 23 magazine is Harper's Bazaar? 24 A. It's a high end fashion book. 25 Q. Are there other -- we've looked at a</p>	<p style="text-align: right;">Page 69</p> <p>1 ROBERT CHAVEZ 2 episode? 3 A. Yes, the episode had to do with the 4 desire of obtaining a Birkin bag and two of the 5 characters were discussing it and then made their 6 way into the store to see one of the bags and the 7 whole discussion ensued about the bag itself. 8 Q. I'd like to turn your attention to 9 Exhibit 10. 10 (Deposition Exhibit 10, compilation 11 of movies and TV series that included the Birkin 12 beginning with HERMES_0001614, was marked for 13 identification.) 14 A. Yes. 15 MR. WARSHAVSKY: Oh, thank you. 16 It's just been noted that I didn't 17 move Exhibit 9 into evidence. So, while the 18 witness is looking at Exhibit 10, we'll move 19 Exhibit 9 into evidence. 20 MR. OPPENHEIM: No objection. 21 (Deposition Exhibit 9 was moved into 22 evidence.) 23 MR. WARSHAVSKY: Thank you. 24 Q. Have you ever seen Exhibit 10 before? 25 A. Yes, I have.</p>

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<p style="text-align: right;">Page 70</p> <p>1 ROBERT CHAVEZ</p> <p>2 Q. Can you tell us what it is?</p> <p>3 A. This too is a compilation of Birkin 4 bag appearing in several movies.</p> <p>5 Q. And who created this?</p> <p>6 A. Hermès International.</p> <p>7 Q. And why did Hermès create this?</p> <p>8 A. Well, because we save -- we all kind 9 of all of the coverage that we get.</p> <p>10 MR. WARSHAVSKY: We would move 11 Exhibit 10 into evidence.</p> <p>12 MR. OPPENHEIM: No objection.</p> <p>13 (Deposition Exhibit 10 was moved into 14 evidence.)</p> <p>15 Q. Does this press impact Hermès' 16 business?</p> <p>17 A. Yes, it does.</p> <p>18 Q. How so?</p> <p>19 A. It increases the awareness level even 20 more and it creates an even higher demand for the 21 bag.</p> <p>22 Q. Does Hermès advertise the Birkin bag?</p> <p>23 A. Yes, we do.</p> <p>24 Q. I'd like to show you Exhibit 11.</p> <p>25 (Deposition Exhibit 11, color copy of</p>	<p style="text-align: right;">Page 72</p> <p>1 ROBERT CHAVEZ</p> <p>2 Q. Have you ever seen Exhibit 12 before?</p> <p>3 A. Yes, I have.</p> <p>4 Q. Can you tell us what that is?</p> <p>5 A. Again, it's a compilation of all of 6 the ad that we just saw appearing in many of the 7 magazines that we advertise in.</p> <p>8 Q. Did Hermès create this compilation?</p> <p>9 A. Yes, we did.</p> <p>10 MR. WARSHAVSKY: We move Exhibit 12 11 into evidence.</p> <p>12 MR. OPPENHEIM: No objection.</p> <p>13 (Deposition Exhibit 12 was moved into 14 evidence.)</p> <p>15 Q. And what was the reaction to this 16 advertisement?</p> <p>17 A. It was unbelievable.</p> <p>18 Q. What do you mean by that?</p> <p>19 A. It created quite a stir in the market 20 and brought huge attention to the Birkin bag 21 again.</p> <p>22 Q. How much does Hermès spend a year in 23 advertising?</p> <p>24 A. We spend millions of dollars a year 25 in advertising.</p>
<p style="text-align: right;">Page 71</p> <p>1 ROBERT CHAVEZ</p> <p>2 one page of a national ad campaign from the early 3 2000s with no Bates, was marked for 4 identification.)</p> <p>5 Q. Have you ever seen this document 6 before?</p> <p>7 A. I have, yes.</p> <p>8 Q. Can you tell us generally what this 9 is?</p> <p>10 A. This was a part of our national ad 11 campaign back in the early 2000s.</p> <p>12 Q. And what products are shown in this 13 advertisement?</p> <p>14 A. In addition to the one scarf there 15 are two Birkin bags featured in this ad.</p> <p>16 MR. WARSHAVSKY: We move Exhibit 11 17 into evidence.</p> <p>18 MR. OPPENHEIM: No objection.</p> <p>19 (Deposition Exhibit 11 was moved into 20 evidence.)</p> <p>21 Q. Can you please turn to Exhibit 12.</p> <p>22 (Deposition Exhibit 12, black and 23 white copies of ads with beginning Bates 24 HERMES_0001406, was marked for identification.)</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 73</p> <p>1 ROBERT CHAVEZ</p> <p>2 Q. Does that include advertising the 3 Birkin handbag?</p> <p>4 A. Yes, it does.</p> <p>5 Q. Where are the Birkin handbags sold?</p> <p>6 A. They're sold in our stores here in 7 the United States and around the world, Hermès 8 stores.</p> <p>9 Q. Can a customer buy a Hermès bag on 10 the website?</p> <p>11 A. No, they cannot.</p> <p>12 Q. And earlier you spoke a little about 13 demand. I want to go back to that.</p> <p>14 Can you explain the process from when 15 a customer walks into purchase a Birkin handbag 16 what happens next?</p> <p>17 A. Yes. Clients come in requesting a 18 Birkin handbag. Most likely, we will not have 19 availability at that time or it's very rare that 20 we would have availability at that time. So we 21 will have a conversation with the client. We 22 will take their wish list and then we will get 23 back to them as soon as we have an idea as to 24 when we think we might be getting a bag in that 25 this is what they're looking for.</p>

19 (Pages 70 - 73)

<p style="text-align: right;">Page 94</p> <p>1 ROBERT CHAVEZ 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 (Deposition Exhibit Defendant's A, 12 printout of 2021 Universal Registration Document 13 Including the Annual Financial Report, was marked 14 for identification.) 15 Q. Defendant's Exhibit A is a document 16 consisting of five pages retrieved from a website 17 visible on the first page. 18 My first question to you is, Mr. 19 Chavez, have you ever seen this document before? 20 A. I have not, no. 21 Q. Do you know -- have you ever heard of 22 this document before? 23 A. I've heard of it, yes. 24 Q. Okay. Do you recognize this document 25 as something created by Hermès? And there I'm</p>	<p style="text-align: right;">Page 96</p> <p>1 ROBERT CHAVEZ 2 leather goods and saddlery strike you as 3 generally accurate or you're not sure? 4 A. It strikes me as generally accurate, 5 yes. 6 Q. So is this consistent with your 7 understanding that the revenue from the Birkin 8 bags segment increase from about \$3.2 billion to 9 a little over \$4 billion between 2020 and 2021? 10 A. Yes. 11 MR. OPPENHEIM: Okay. I would move 12 for the admission of Defendant's 1 -- A. 13 Oren, do you want to put an objection 14 on that? 15 MR. WARSHAVSKY: I am going to object 16 to that, because I don't think the witness knows 17 what it is. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>
<p style="text-align: right;">Page 95</p> <p>1 ROBERT CHAVEZ 2 referring generically to the parent company and 3 all its subsidiaries. 4 A. Yes, it's created by Hermès 5 International. 6 Q. Okay. I'd like to turn your 7 attention to the page -- I think it's the third 8 page of the exhibit. It's a chart that says, 9 "Revenue and Activity by Métier," on Page 26. 10 Do you see that there? 11 A. Yes, I do. 12 Q. The first line on that chart is 13 called, "Leather Goods and Saddlery." 14 Is that a business division of 15 Hermès? 16 A. Yes, it is. 17 Q. And do Birkin bags fall within that 18 division of the company? 19 A. Yes, they do. 20 Q. Okay. And, roughly speaking, are the 21 numbers you see here for revenue -- and that 22 would be Column 1 and then Column 3, which 23 respectively say, "revenue in millions of euros 24 for 2021 and 2020." 25 Does the information on that line for</p>	<p style="text-align: right;">Page 97</p> <p>1 ROBERT CHAVEZ [REDACTED] 3 BY MR. OPPENHEIM: 4 Q. Okay. So, just very quickly, the 5 last question about this document. 6 That chart on Page 26 we were just 7 looking at, are tables of data like this produced 8 in the ordinary course of business by Hermès? 9 A. Yes, they are. 10 Q. Okay. And do you believe that this 11 table you're looking at right now was prepared in 12 the ordinary course of business by Hermès? 13 A. Yes. 14 Q. Okay. How did Birkin bags do this 15 year in 2022? 16 I'm sorry, last year. It's 2023 now; 17 last year. 18 A. Yes. They did well. 19 Q. Okay. Did the segment of the 20 business continue to grow at about that rate? 21 A. Not at the same rate because the rate 22 you're looking at is comparing '21 versus a year 23 of COVID and many of the stores were shut down. 24 So that's an inflated growth rate. 25 Q. In other words, 2021 was a little</p>

25 (Pages 94 - 97)

<p style="text-align: right;">Page 98</p> <p>1 ROBERT CHAVEZ 2 deflated, 2022 was a little inflated? 3 MR. WARSHAVSKY: Objection. I 4 mean... 5 Q. I'd like to understand what you meant 6 when you said that "21 versus a year of COVID 7 and many stores were shut down," which is the 8 inflated number when you were -- which did you 9 mean to describe as "inflated"? 10 A. The percent increase would be an 11 inflated number, because it's not a true 12 comparison. It's not a true comparison of like 13 for like, that every store was open against a 14 year where every store was open. You had stores 15 that were open against a year where most of our 16 stores were closed for the majority of the year. 17 Q. Thank you. 18 And so what you were, I guess, 19 intimating was that in 2022 that there would be 20 -- that that would level off a bit, because more 21 stores were open in 2021 than 2020? 22 A. Yes, exactly. 23 Q. Okay. I'd like to hand you another 24 document I'm going to mark for identification as 25 Defendant's B.</p>	<p style="text-align: right;">Page 100</p> <p>1 ROBERT CHAVEZ 2 A. Yes. 3 Q. -- to the domestic entity? 4 A. I do. 5 Q. Okay. And so, if I could ask you to 6 turn to Page 6 of this document. I'm sorry. It 7 may not be the sixth page, because there are some 8 color pages, but this will have a No. 6 on the 9 bottom. And it says, "Sales by Métier at the end 10 of June," on that page. 11 A. Yes. 12 Q. Do you see that? 13 A. I do. 14 Q. Okay. And on this document, am I 15 reading this correctly, your sales of leather 16 goods and saddlery in the first half of 2022 were 17 \$2.358 billion; is that correct? 18 A. Yes, it is. 19 Q. And did you guys stay on that pace? 20 Did you end at the year at something 4 point -- 21 I don't know, whatever that comes out to, a 22 little over 4.6? 23 MR. WARSHAVSKY: I'm going to object 24 to form. Maybe you want to... 25 Q. Was this growth rate reflected in the</p>
<p style="text-align: right;">Page 99</p> <p>1 ROBERT CHAVEZ 2 (Deposition Exhibit Defendant's B, 3 printout of June 0222 Half-year Financial Report, 4 was marked for identification.) 5 Q. Here you go. 6 [REDACTED] 7 Q. Defendant's B is the half year 8 financial report from June 2022 obtained from the 9 Hermès website, the address indicated on the 10 first page. 11 Have you ever seen this document 12 before? 13 A. Yes, I have. 14 Q. And are you familiar with this 15 document? 16 A. Yes. 17 Q. Are you involved in its preparation? 18 A. Only to the extent that we send our 19 figures to be compiled with the total figures for 20 the entire corporation. 21 Q. "We," meaning, Hermès US or -- 22 A. Hermès US, yes. 23 Q. I'm sorry. I know that's not the 24 name of it. 25 You understand I'm referring --</p>	<p style="text-align: right;">Page 101</p> <p>1 ROBERT CHAVEZ 2 rest of 2022? 3 A. I don't -- I don't know the growth 4 rate for the rest of the world. I can only tell 5 you the growth rate for the US and for Latin 6 America. Because I'm not privy to that until the 7 report is published. 8 Q. And what was the growth rate for the 9 US and Latin America in the second half of 2022? 10 A. Overall or just in leather goods. 11 Q. Just in leather goods and saddlery, 12 I'm sorry. 13 A. Just in leather goods and saddlery, I 14 would have to give you a good guess, which would 15 be around 12 or 13 percent. 16 Q. Of growth? 17 A. Yes. 18 Q. Are you aware of a loss of sales 19 revenue in North America because of the 20 MetaBirkin? 21 A. No, I'm not. 22 Q. Did you play a role in deciding to 23 bring this litigation? 24 A. No, I did not. 25 [REDACTED]</p>